

Budget 2009

Financial Resolution No. 1

Income Levy

(1) THAT Part 18A of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended -

- (a) in subsection (1) of section 531A by substituting the following for the definition of “aggregate income” –

“‘aggregate income’, in relation to an individual and a year of assessment, means the aggregate of the individual’s relevant emoluments in the year of assessment and relevant income for the year of assessment;”,

- (b) in section 531B –

- (i) in paragraph (b) of the Table to subsection (1) –

- (I) by substituting the following for all of the words from "The income described in this paragraph" to "in accordance with the Income Tax Acts and –":

“The income described in this paragraph, to be known as ‘relevant income’, is income, without regard to any amount deductible from or deductible in computing total income, from all sources as estimated in accordance with the Income Tax Acts, other than relevant emoluments, social welfare payments and similar type payments and excluded emoluments, and –”,

- (II) in subparagraph (iii) by deleting “and”,

- (III) in subparagraph (iv) by substituting “such payment,” for “such payment.”, and

- (IV) by inserting the following after subparagraph (iv) –

“(v) disregarding expenses, in respect of which an employee may be entitled to relief from income tax, which fall within Regulation 10(3) of the PAYE Regulations,

- (vi) having regard to any relief arising under subsection (5)(a) of section 201, and paragraphs 6 and 8 of

Schedule 3 in respect of payments chargeable to tax under section 123,

and

(vii) excluding relevant emoluments of an individual who is resident in a territory with which arrangements have been made under section 826(1)(a)(i) in relation to affording relief from double taxation, where those emoluments are the subject of a notification issued under section 984(1).”,

(ii) by substituting the following for paragraph (a) of subsection (2) –

“(a) subject to subsection (3), proves to the satisfaction of the Revenue Commissioners that his or her aggregate income in relation to a year of assessment does not exceed €15,028,”

and

(iii) by inserting the following after subsection (2):

“(3) For the purposes of determining an individual’s aggregate income for the purposes of subsection (2)(a), any payment of relevant emoluments from which income levy was not deducted by an employer, made in the period from 1 January 2009 to 30 April 2009, to which the appropriate portion of €18,304 was applied in that period, shall be disregarded.”

(c) by substituting the following for section 531C –

“Rate of charge.

531C. (1) For the year of assessment 2009, an individual shall be charged to income levy on the aggregate of his or her relevant income for the year of assessment and relevant emoluments in the year of assessment at the rates specified in the Table to this subsection, notwithstanding that the relevant emoluments are in whole or in part for some year of assessment other than that year of assessment during which the payment is made.

TABLE

Part of aggregate income	Rate of income levy
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The first €75,036	1.67%
The next €25,064	3%
The next €74,880	3.33%
The next €75,140	4.67%
The remainder	5%

(2) For the year of assessment 2010, and subsequent years of assessment, an individual shall be charged to income levy on the aggregate of his or her relevant income for the year of assessment and relevant emoluments in the year of assessment at the rates specified in the Table to this subsection, notwithstanding that the relevant emoluments are in whole or in part for some year of assessment other than that year of assessment during which the payment is made.

TABLE

Part of aggregate income	Rate of income levy
The first €75,036	2%
The next €99,944	4%
The remainder	6%

”

and

(d) in section 531D by substituting the following for subsection (2) –

“(2)(a) As respects any payment of relevant emoluments made to or on behalf of an employee in the period beginning on 1 January 2009 and ending on 30 April 2009, income levy shall be deducted from such emoluments by the employer at any or all of the following rates —

- (i) 1 per cent where the amount of the relevant emoluments does not exceed €1,925, in the case where the period in respect of which the payment is being made is a week, or a corresponding amount, where the period is greater or less than a week,
- (ii) 2 per cent on the amount of the excess where the amount of relevant emoluments exceeds €1,925, but does not exceed €4,810, in the case where the period in respect of which the payment is being made is a week, or a corresponding amount, where the period is greater or less than a week,

- (iii) 3 per cent on the amount of the excess where the amount of relevant emoluments exceeds €4,810, in the case where the period in respect of which the payment is being made is a week, or a corresponding amount, where the period is greater or less than a week,

and notwithstanding that the relevant emoluments are in whole or in part for some year of assessment other than that during which the payment is made.

- (b) As respects any payment of relevant emoluments made to or on behalf of an employee on or after 1 May 2009, income levy shall be deducted from such emoluments by the employer at any or all of the following rates —

- (i) 2 per cent where the amount of the relevant emoluments does not exceed €1,443, in the case where the period in respect of which the payment is being made is a week, or a corresponding amount, where the period is greater or less than a week,

- (ii) 4 per cent on the amount of the excess where the amount of relevant emoluments exceeds €1,443, but does not exceed €3,365, in the case where the period in respect of which the payment is being made is a week, or a corresponding amount, where the period is greater or less than a week,

- (iii) 6 per cent on the amount of the excess where the amount of relevant emoluments exceeds €3,365, in the case where the period in respect of which the payment is being made is a week, or a corresponding amount, where the period is greater or less than a week,

and notwithstanding that the relevant emoluments are in whole or in part for some year of assessment other than that during which the payment is made.”.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No: 2

Income Tax

- (1) THAT in this Resolution, “Principal Act” means the Taxes Consolidation Act 1997 (No. 39 of 1997).
- (2) THAT this Resolution shall have effect on and from 1 May 2009.
- (3) THAT, as respects the year of assessment 2009 and subsequent years of assessment, section 244 of the Principal Act be amended, by inserting the following after subsection (1):

“(1A) (a) This section shall not apply as respects interest paid on or after 1 May 2009.

(b) Notwithstanding paragraph (a), this section shall continue to apply—

(i) as respects the first 7 years of assessment for which an individual has an entitlement to relief under this section in respect of qualifying interest determined by reference to paragraph (iii) or (iv) of the definition of ‘relievable interest’, and

(ii) as respects a period not exceeding 7 years of assessment for which an individual has an entitlement to relief under this section in respect of qualifying interest in relation to a qualifying loan.

(c) (i) Paragraph (b) shall not apply in respect of qualifying interest attributable to that part of a qualifying loan used to repay another qualifying loan (in this paragraph referred to

as an 'existing qualifying loan') unless the qualifying interest on that existing qualifying loan would, had the existing qualifying loan not been repaid, have been interest referred to in paragraph (b)(i) or (ii).

- (ii) Where subparagraph (i) applies, the number of years of assessment for which there is an entitlement to relief under this section in respect of qualifying interest attributable to that part of a qualifying loan used to repay the existing qualifying loan shall not exceed the number of years of assessment for which relief would have applied had the existing qualifying loan not been repaid.
- (d) As respects the year of assessment 2009 only, the definition of 'relievable interest' is amended—
- (i) in paragraph (i) by substituting 'the amount of qualifying interest paid by the individual in the period 1 January 2009 to 30 April 2009 or, if less, €2,000 and the amount of qualifying interest paid by the individual in the period 1 May 2009 to 31 December 2009 or, if less, €4,000' for 'the amount of qualifying interest paid by the individual in the year of assessment or, if less, €6,000', and
 - (ii) in paragraph (ii) by substituting 'the amount of qualifying interest paid by the individual in the period 1 January 2009 to 30 April 2009 or, if less, €1,000 and the amount of qualifying interest paid by the individual in the period 1 May 2009 to 31 December 2009 or, if less, €2,000' for 'the amount of qualifying interest paid by the individual in the year of assessment or, if less, €3,000'.

(4) IT is hereby declared that it is expedient in the public interest that this resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION No. 3

EXCISE

Tobacco Products Tax

(1) THAT for the purposes of the tax charged by virtue of section 72 of the Finance Act 2005 (No. 5 of 2005), that Act be amended, with effect as on and from 8 April 2009, by substituting the following for Schedule 2 to that Act (as amended by section 52 of the Finance (No. 2) Act 2008 (No. 25 of 2008)):

“SCHEDULE 2

RATES OF TOBACCO PRODUCTS TAX

Description of Product	Rate of Tax
Cigarettes	€183.42 per thousand together with an amount equal to 18.25 per cent of the price at which the cigarettes are sold by retail
Cigars	€261.066 per kilogram
Fine-cut tobacco for the rolling of cigarettes	€220.301 per kilogram
Other smoking tobacco	€181.117 per kilogram

”

(2) It is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION No. 4

EXCISE

Mineral Oil Tax

(1) THAT for the purposes of the tax charged by virtue of section 95 of the Finance Act 1999 (No. 2 of 1999), that Act be amended, with effect as on and from 8 April 2009, by substituting the following for Schedule 2 to that Act (as amended by section 47(b) of the Finance (No. 2) Act 2008 (No. 25 of 2008)):

“SCHEDULE 2

RATES OF MINERAL OIL TAX

Description of Mineral Oil	Rate of Tax
<i>Light Oil:</i> Petrol Aviation gasoline	€508.79 per 1,000 litres €508.79 per 1,000 litres
<i>Heavy Oil:</i> Used as a propellant Used for air navigation Used for private pleasure navigation Kerosene used other than as a propellant Fuel oil Other heavy oil	€409.20 per 1,000 litres €409.20 per 1,000 litres €409.20 per 1,000 litres €00.00 €14.78 per 1,000 litres €47.36 per 1,000 litres
<i>Liquefied Petroleum Gas:</i> Used as a propellant Other liquefied petroleum gas	€63.59 per 1,000 litres €00.00
<i>Coal:</i> For business use For other use	€4.18 per tonne €8.36 per tonne

(2) It is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION NO 5

CAPITAL ACQUISITIONS TAX

(4) THAT, as respects a gift or an inheritance taken on or after 8 April 2009, the definition of "group threshold" in paragraph 1 of Part 1 of Schedule 2 to the Capital Acquisitions Tax Consolidation Act 2003 (No. 1 of 2003) be amended

–

(a) in subparagraph (a) by substituting "€304,775" for "€381,000",

(b) in subparagraph (b) by substituting "€30,478" for "€38,100", and

(c) in subparagraph (c) by substituting "€15,239" for "€19, 050".

(5) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION No. 6

CAPITAL ACQUISITIONS TAX

- (1) THAT, as respects a gift or an inheritance taken on or after 8 April 2009, the Table in Part 2 of Schedule 2 to the Capital Acquisitions Tax Consolidation Act 2003 (No. 1 of 2003) be amended by substituting “25” for “22”.

- (2) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION No: 7

CAPITAL GAINS TAX

(1) THAT section 28(3) of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended by substituting “25 per cent” for “22 per cent” in respect of the disposal of assets made on or after 8 April 2009.

(2) THAT section 649A(1) of the Taxes Consolidation Act 1997 be amended by substituting the following for paragraph (b):

“(b) in the case of a relevant disposal made on or after 8 April 2009, 25 per cent.”.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION No: 8

LIFE ASSURANCE POLICIES AND INVESTMENT FUNDS

(1) THAT section 730F(1) of the Taxes Consolidation Act 1997 (No. 39 of 1997), as respects the happening of a chargeable event in relation to a life policy (within the meaning of Chapter 5 of Part 26) on or after 8 April 2009, be amended –

(a) by substituting the following for paragraph (a):

“(a) subject to paragraph (b), where the chargeable event falls on or after 1 January 2001, at the rate of 28 per cent,”

and

(b) in paragraph (b) by substituting “(S+28) per cent” for “(S+26) per cent”.

(2) THAT Chapter 6 of Part 26 of the Taxes Consolidation Act 1997, as respects the receipt by any person of a payment in respect of a foreign life policy (within the meaning of Chapter 6 of that Part) or the disposal in whole or in part of a foreign life policy (within that meaning) on or after 8 April 2009, be amended –

(a) in section 730J (a) –

(i) by substituting the following for clause (I) of subparagraph (i):

“(I) where the payment is a relevant payment, at the rate of 25 per cent, and”

(ii) in clause (II)(A) of subparagraph (i) by substituting “(S+28) per cent” for “(S+26) per cent”

(iii) by substituting the following for clause (II)(B) of subparagraph (i):

“(B) in any other case, at the rate of 28 per cent.”,

and

(iv) in clause (I) of subparagraph (ii) by substituting “(H + 25) per cent” for

“(H + 23) per cent”,

and

(b) in section 730K –

(i) in subsection (1) by deleting "the rate determined by the formula" where it first occurs,

(ii) in paragraph (a) of subsection (1) by substituting “(S+28) per cent” for “(S+26) per cent”, and

(iii) by substituting the following for paragraph (b) of subsection (1):

“(b) in any other case, at the rate of 28 per cent.”.

(3) THAT Chapter 1A of Part 27 of the Taxes Consolidation Act 1997, as respects the happening of a chargeable event in relation to an investment undertaking (within the meaning of section 739B(1)) on or after 8 April 2009, be amended –

(a) in section 739D by substituting the following for subsection (5A):

“(5A) The amount referred to in subsection (2)(dd) is the amount determined by the formula –

$$A \times G \times \frac{100}{100 - (G \times 28)}$$

where –

A is the appropriate tax payable on the transfer by a unit holder of entitlement to a unit in accordance with subsection (2)(d), and

G is the amount of the gain on that transfer of that unit divided by the value of that unit.”,

(b) in section 739E(1) –

(i) by substituting the following for paragraph (a):

“(a) subject to paragraph (ba), where the amount of the gain is provided by section 739D(2)(a), at the rate of 25 per cent.”,

(ii) by substituting the following for paragraph (b):

“(b) subject to paragraph (ba), where the chargeable event happens on or after 1 January 2001 and the amount of the gain is provided by paragraph (b), (c), (d), (dd) or (ddd) of section 739D(2), at the rate of 28 per cent.”,

and

(iii) in paragraph (ba) by substituting “(S+28) per cent” for “(S+26) per cent”,

and

(c) in section 739G(2)(c) by substituting “specified in” for “determined in accordance with”.

(4) THAT Chapter 4 of Part 27 of the Taxes Consolidation Act 1997, as respects –

- (a) the receipt by any person of a payment in respect of a material interest in an offshore fund (within the meaning of Chapter 4 of that Part), or
- (b) the disposal in whole or in part of a material interest in an offshore fund (within that meaning),

on or after 8 April 2009, be amended –

(i) in section 747D –

(I) in paragraph (a)(i)(I) –

(A) in subclause (A) by substituting “(S+28) per cent” for “(S+26) per cent” , and

(B) by substituting the following for subclause (B):

“(B) in any other case, at the rate of 25 per cent,”

(II) in paragraph (a)(i)(II)(A) by substituting “(S+28) per cent” for “(S+26) per cent”,

(III) by substituting the following for paragraph (a)(i)(II)(B):

“(B) in any other case, at the rate of 28 per cent, ”

and

(IV) in paragraph (a)(ii)(I) by substituting “(H+25) per cent” for “(H+23) per cent”,

and

(ii) in section 747E(1) –

(I) in paragraph (b) by deleting "the rate determined",

(II) in paragraph (b)(i) -

(A) by inserting "the rate determined" before "by the formula", and

(B) by substituting "(S+28) per cent" for "(S+26) per cent", and

(II) by substituting the following for paragraph (b)(ii):

"(ii) in any other case, at the rate of 28 per cent."

(5) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION NO 9

INCOME TAX

(1) THAT, as respects any payment or crediting of relevant interest (within the meaning of Chapter 4 of Part 8 of the Taxes Consolidation Act 1997 (No. 39 of 1997)) made on or after 8 April 2009, the definition of “appropriate tax” in section 256(1) of the Taxes Consolidation Act 1997 be amended -

(a) in paragraph (a), by substituting “25 per cent” for “23 per cent”,

(b) by substituting the following for paragraph (b):

“(b) subject to paragraph (c), in the case of interest paid in respect of any other relevant deposit, at the rate of 25 per cent, and”,

and

(c) by substituting the following for paragraph (c):

“(c) in the case of interest paid in respect of a relevant deposit, being a deposit made on or after 23 March 2000, other than interest which is--

(i) referred to in paragraph (a), or

(ii) payable annually or at more frequent intervals, or

(iii) specified interest within the meaning of section 260,

at the rate of 28 per cent;”.

(2) THAT as respects any dividend paid on or credited to a special share account or a special term share account (within the meaning of Chapter 5 of Part 8 of the Taxes Consolidation Act 1997), section 267B of the Taxes Consolidation Act 1997 be amended in respect of dividends paid or credited on or after 8 April 2009 -

(a) in subsection (2)(b), by substituting “25 per cent” for “23 per cent”, and

(b) in subsection (3)(b), by substituting “25 per cent” for “23 per cent”.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION No. 10

STAMP DUTIES

(1) THAT in this Resolution –

“Principal Act” means the Stamp Duties Consolidation Act 1999 (No. 31 of 1999);

"assessable amount", "premiums" and "insurer", in paragraph (2)(a) of this Resolution, have, respectively, the meanings assigned to them in section 125(1) of the Principal Act;

"assessable amount", "premiums" and "insurer", in paragraph (2)(b) of this Resolution, have, respectively, the meanings assigned to them in section 124B(1) (inserted by paragraph (3)(b) of this Resolution).

(2) THAT this Resolution shall have effect—

(a) in relation to paragraph (3)(a) of this Resolution, as respects so much of the assessable amount as is comprised of premiums received on or after 1 June 2009 in respect of offers of insurance or notices of renewal of insurance issued by an insurer on

or after 8 April 2009, and

- (b) in relation to paragraph (3)(b) of this Resolution, as respects so much of the assessable amount as is comprised of premiums received on or after 1 June 2009 in respect of contracts of insurance whensoever entered into by an insurer.

(3) THAT Part 9 of the Principal Act is amended—

- (a) in section 125(3) by substituting “3 per cent” for “2 per cent”,

(b) by inserting the following after section 124A:

“Certain premiums of life assurance.

124B.— (1) In this section—

‘assessable amount’, in relation to a quarter, means the gross amount received by an insurer by means of premiums in that quarter for policies of insurance referred to in classes I, II, III, IV, V and VI of Annex I to the Directive, to the extent that the risks to which those policies of insurance relate are located in the State (being risks deemed to be located in the State by virtue of section 61);

‘Directive’ means Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002¹ concerning life assurance;

‘due date’ means, in respect of a quarter ended on—

- (a) 31 March, 30 April in the same year,
- (b) 30 June, 31 July in the same year,
- (c) 30 September, 31 October in the same year, and

¹OJ No. L345, 19 December 2002, p.1

(d) 31 December, 31 January in the following year;

‘insurer’ means—

- (a) a person who is the holder of an assurance licence under the Insurance Act 1936,
- (b) the holder of an authorisation within the meaning of the European Communities (Life Assurance) Framework Regulations 1994 (S.I. No. 360 of 1994), or
- (c) the holder of an official authorisation to undertake insurance in Iceland, Liechtenstein or Norway, pursuant to the EEA Agreement within the meaning of the European Communities (Amendment) Act 1993, who is carrying on the business of life assurance in the State;

‘life assurance’ means insurance of a class referred to in Annex I to the Directive;

‘premium’ has the same meaning as in the Insurance Act 1936;

‘quarter’ means a period of 3 months ending on 31 March, 30 June, 30 September or 31 December.

(2) An insurer shall, in each year, not later than the due date for the quarter concerned, commencing with the quarter ending on 30 June 2009, deliver to the Commissioners a statement in writing showing the assessable amount for the insurer in respect of that quarter.

(3) There shall be charged on every statement delivered in pursuance of subsection (2) a stamp duty of an amount equal to 1 per cent of the assessable amount shown in the statement.

(4) The duty charged by subsection (3) on a statement delivered by an insurer pursuant to subsection (2) shall be paid by the insurer on delivery of the statement.

(5) There shall be furnished to the Commissioners by an insurer such particulars as the Commissioners may deem necessary in relation to any statement required by this section to be delivered by the insurer.

(6) In the case of failure by an insurer—

(a) to deliver any statement required to be delivered by the insurer pursuant to subsection (2), or

(b) to pay the stamp duty chargeable on any such statement on delivery of the statement,

the insurer shall—

(i) from that due date until the day on which the stamp duty is paid, be liable to pay, in addition to the stamp duty, interest on the stamp duty calculated in accordance with section 159D, and

(ii) from that due date, be liable to pay a penalty of €380 for each day the stamp duty remains unpaid.

(7) Where during any quarter but before the due date—

(a) an insurer ceases to carry on a business in the course of which the insurer is required to deliver a statement (in this subsection referred to as the ‘first-mentioned statement’) pursuant to subsection (2) but has not done so before that cesser, and

(b) another person (in this subsection referred to as the ‘successor’) acquires the whole, or substantially the whole, of the business,

then—

(i) the insurer is not required to deliver the first-mentioned statement, and

(ii) the successor shall—

- (I) where the successor is, apart from this subsection, required to deliver a statement (in this subsection referred to as the ‘second-mentioned statement’) pursuant to subsection (2) in respect of the same quarter but has not done so before that acquisition, include in that second-mentioned statement the assessable amount that would have been required to have been shown in the first-mentioned statement had the insurer not ceased to carry on the business concerned,
- (II) where subparagraph (I) does not apply, deliver the first-mentioned statement as if the successor were the insurer.

(8) The delivery of any statement required by subsection (2) may be enforced by the Commissioners under section 47 of the Succession Duty Act 1853 in all respects as if such statement were such account as is mentioned in that section and the failure to deliver such statement were such default as is mentioned in that section."

and

(c) in section 126B(1) by substituting the following for the definition of "specified section":

" 'specified section' means section 123, 123A, 123B, 123C, 124, 124A, 124B or 125."

(4) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

FINANCIAL RESOLUTION No. 11

GENERAL

THAT it is expedient to amend the law relating to inland revenue (including value-added tax and excise) and to make further provision in connection with finance.